



MEMORANDUM

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November 16, 2016

TO: Eric Stuckey, City Administrator

FROM: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for November was \$2,817,429 compared to \$2,571,550 for the same month in 2015, an increase of \$245,879 or 9.8%. [The November remittance is for sales tax collected during the month of September, representing the second month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 4.5% from the prior year.

Year-to-date, the City has received \$7.9 million compared to \$7.4 million in the previous year, a difference of \$441,984 or 5.9%. The State of Tennessee sales tax collections, year-to-date, are \$2.10 billion compared to \$2.02 billion in the prior year, a difference of \$75 million or 3.7%.

For budget comparisons, the City originally anticipated collections of \$8.0 million through three months of the fiscal year. Through the month of September, the City is \$69,507, or 0.9%, below budgeted collections. As a further comparison, the September collection of \$2.81 million compares to \$1.88 million in 2010, \$1.94 million in 2011, \$2.06 million in 2012, \$2.17 million in 2013 and \$2.37 million in 2014.

The local sales tax collections have increased year-over-year in 77 of the last 80 months reported.



TENNESSEE DEPARTMENT OF REVENUE

COUNTY EXECUTIVE/MAYOR
WILLIAMSON COUNTY
1320 W MAIN ST STE 125
FRANKLIN TN 37064-3700

November 7, 2016

Month of: OCTOBER
Tot. Collections: \$9,839,178.19
Cost of Admin: \$110,690.76
Net Collections: \$9,728,487.43

The Department of Revenue has collected and allocated the above total during the month indicated from Local Option Sales Tax as follows:

| COUNTY/CITY NAME | TOTAL COLLECTIONS | LESS ADMIN. COSTS | NET COLLECTIONS |
|-------------------|-------------------|-------------------|-----------------|
| WILLIAMSON COUNTY | \$395,968.57 | \$4,454.65 | \$391,513.92 |
| FRANKLIN | \$5,756,537.71 | \$64,761.05 | \$5,691,776.66 |
| FAIRVIEW | \$223,428.80 | \$2,513.57 | \$220,915.23 |
| BRENTWOOD | \$2,808,702.11 | \$31,597.90 | \$2,777,104.21 |
| SPRING HILL | \$407,730.90 | \$4,586.97 | \$403,143.93 |
| THOMPSON STATION | \$150,329.36 | \$1,691.21 | \$148,638.15 |
| NOLENSVILLE | \$96,480.74 | \$1,085.41 | \$95,395.33 |

Note that we have deducted 1.125% state cost of administration leaving the net collections. The Department of Finance and Administration has been notified to issue a payment to the Trustee of your county in the amount of the net collections.

Please be aware that normal Local Option Sales Tax collections may fluctuate. This could be due to additional collections on assessments or reductions as a result of taxpayer refunds or returned checks. Should your collection amount increase significantly, it might be the result of an audit assessment.

For additional information regarding the allocation you may call the Division of Fiscal Services at (615) 532-8944 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted.

$$\begin{array}{r}
 5691776.66 \div 2 = 2,845,888.33 \\
 \times 1\% = 28,458.88 \\
 \hline
 2,817,429.45
 \end{array}$$



FOR IMMEDIATE RELEASE
Tuesday, November 15, 2016

CONTACT: Lola Potter
OFFICE: 615-532-8560

OCTOBER REVENUES

NASHVILLE, Tenn. – Tennessee revenues for October slightly exceeded revenues for the same time last year. Finance and Administration Commissioner Larry Martin today reported that revenues for October were \$983.3 million, which is 1.29% more than October 2015, and \$44.0 million in excess of the budgeted estimate.

"The sales tax, which is one of Tennessee's best economic indicators, recorded relatively moderate growth for October," Martin said. "Corporate revenues - franchise and excise taxes - recorded negative growth for the month. However, this is a normal occurrence in the state's business cycle for October, as this is when some corporate filers who may have over paid their tax liability in previous months are allowed to request a refund. Adjustments were consistent with our expectations."

On an accrual basis, October is the third month in the 2016-2017 fiscal year.

General fund revenues for October were \$44.0 million more than the budgeted estimate, and the four other funds that share in state tax revenues were equal to the budgeted estimates.

Sales tax revenues were \$37.5 million more than the estimate for October. The October growth rate was 4.52%. The year-to-date growth rate was 3.72%.

Franchise and excise combined revenues for October were \$66.2 million which is \$6.8 million more than the budgeted estimate of \$59.4 million. The growth rate for October was negative 14.42%. The year-to-date growth rate was 14.04%.

Gasoline and motor fuel revenues decreased by 4.79% and they were \$1.4 million less than the budgeted estimate of \$73.2 million.

Motor Vehicle Registration revenues increased by 3.99% and they were \$1.7 million more than the October estimate.

Tobacco tax revenues for the month were \$0.2 million in excess of the budgeted estimate.

Privilege tax revenues were \$2.0 million more than the budgeted estimate of \$28.8 million.

Inheritance and Estate taxes were \$1.7 million less than the October estimate.

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Business tax revenues were \$1.6 million less than the October estimate.

Hall income taxes were \$0.3 million less than the October estimate.

All other tax revenues were more than estimates by a net of \$0.8 million.

Year-to-date revenues for three months were \$198.6 million more than the budgeted estimate. The general fund was over estimates by \$183.9 million and the four other funds that share in state tax revenues exceeded estimates by \$14.7 million.

The budgeted revenue estimates for 2016-2017 are based on the State Funding Board's consensus recommendation of November 23, 2015 and adopted by the second session of the 109th General Assembly in April 2016. Also incorporated in the estimates are any changes in revenue enacted during the 2016 session of the General Assembly. These estimates are available on the state's website at <http://www.tn.gov/finance/article/fa-budget-rev>.

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Table 1
Revenue Collections by Fund
October
2016-2017

| Fund | 2016 | | | | 2015 Actual | 2016 | |
|--------------------|----------------------|----------------------|---------------------|--------------|----------------------|---------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| General Fund | \$818,924,000 | \$774,913,000 | \$44,011,000 | 5.68% | \$805,973,000 | \$12,951,000 | 1.61% |
| Highway Fund | 56,598,000 | 57,902,000 | (1,304,000) | -2.25% | 54,333,000 | 2,265,000 | 4.17% |
| Sinking Fund | 34,201,000 | 33,871,000 | 330,000 | 0.97% | 34,384,000 | (183,000) | -0.53% |
| City & County Fund | 70,007,000 | 69,036,000 | 971,000 | 1.41% | 72,493,000 | (2,486,000) | -3.43% |
| Earmarked Fund | 3,582,000 | 3,582,000 | 0 | 0.00% | 3,583,000 | (1,000) | -0.03% |
| Total | \$983,312,000 | \$939,304,000 | \$44,008,000 | 4.69% | \$970,766,000 | \$12,546,000 | 1.29% |

Revenue Collections by Tax
October
2016-2017

| Tax Source | 2016 | | | | 2015 Actual | 2016 | |
|-------------------------------|----------------------|----------------------|---------------------|--------------|----------------------|---------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| Franchise & Excise | \$66,226,000 | \$59,400,000 | \$6,826,000 | 11.49% | \$77,385,000 | (\$11,159,000) | -14.42% |
| Income | 4,655,000 | 4,999,000 | (344,000) | -6.88% | 6,455,000 | (1,800,000) | -27.89% |
| Inheritance & Estate | (485,000) | 1,201,000 | (1,686,000) | -140.38% | 3,490,000 | (3,975,000) | -113.90% |
| Gasoline | 49,470,000 | 51,500,000 | (2,030,000) | -3.94% | 53,571,000 | (4,101,000) | -7.66% |
| Petroleum Special | 5,262,000 | 5,428,000 | (166,000) | -3.06% | 5,513,000 | (251,000) | -4.55% |
| Tobacco | 22,686,000 | 22,445,000 | 241,000 | 1.07% | 21,893,000 | 793,000 | 3.62% |
| Beer | 1,540,000 | 1,484,000 | 56,000 | 3.77% | 1,595,000 | (55,000) | -3.45% |
| Motor Vehicle Registration | 22,054,000 | 20,340,000 | 1,714,000 | 8.43% | 21,207,000 | 847,000 | 3.99% |
| Motor Vehicle Title | 2,022,000 | 1,643,000 | 379,000 | 23.07% | 1,919,000 | 103,000 | 5.37% |
| Mixed Drink | 8,371,000 | 7,386,000 | 985,000 | 13.34% | 7,554,000 | 817,000 | 10.82% |
| Business | 5,207,000 | 6,792,000 | (1,585,000) | -23.34% | 6,749,000 | (1,542,000) | -22.85% |
| Privilege | 30,766,000 | 28,807,000 | 1,959,000 | 6.80% | 28,784,000 | 1,982,000 | 6.89% |
| Gross Receipts | 17,000 | 148,000 | (131,000) | -88.51% | 287,000 | (270,000) | -94.08% |
| TVA - In Lieu of Tax Payments | 27,827,000 | 29,016,000 | (1,189,000) | -4.10% | 28,454,000 | (627,000) | -2.20% |
| Alcoholic Beverage | 5,383,000 | 4,576,000 | 807,000 | 17.64% | 5,222,000 | 161,000 | 3.08% |
| Sales and Use | 715,111,000 | 677,661,000 | 37,450,000 | 5.53% | 684,195,000 | 30,916,000 | 4.52% |
| Motor Vehicle Fuel | 17,093,000 | 16,275,000 | 818,000 | 5.03% | 16,354,000 | 739,000 | 4.52% |
| Severance | 104,000 | 195,000 | (91,000) | -46.67% | 136,000 | (32,000) | -23.53% |
| Coin-operated Amusement | 3,000 | 8,000 | (5,000) | -62.50% | 3,000 | 0 | 0.00% |
| Unauthorized Substance | 0 | 0 | 0 | NA | 0 | 0 | NA |
| Total | \$983,312,000 | \$939,304,000 | \$44,008,000 | 4.69% | \$970,766,000 | \$12,546,000 | 1.29% |

Table 2
Revenue Collections by Fund
Year-to-Date
August - October
2016-2017

| Fund | 2016 - 2017 | | | | 2015-2016 Actual | 2016-2017 | |
|--------------------|------------------------|------------------------|----------------------|--------------|------------------------|----------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| General Fund | 2,671,751,000 | \$2,487,849,000 | \$183,902,000 | 7.39% | \$2,557,626,000 | \$114,125,000 | 4.46% |
| Highway Fund | 179,121,000 | 171,928,000 | 7,193,000 | 4.18% | 176,491,000 | 2,630,000 | 1.49% |
| Sinking Fund | 102,290,000 | 101,478,000 | 812,000 | 0.80% | 102,760,000 | (470,000) | -0.46% |
| City & County Fund | 279,656,000 | 272,944,000 | 6,712,000 | 2.46% | 254,872,000 | 24,784,000 | 9.72% |
| Earmarked Fund | 10,749,000 | 10,749,000 | 0 | 0.00% | 10,750,000 | (1,000) | -0.01% |
| Total | \$3,243,567,000 | \$3,044,948,000 | \$198,619,000 | 6.52% | \$3,102,499,000 | \$141,068,000 | 4.55% |

Revenue Collections by Tax
Year-to-Date
August - October
2016-2017

| Tax Source | 2016 - 2017 | | | | 2015-2016 Actual | 2016-2017 | |
|-------------------------------|------------------------|------------------------|----------------------|--------------|------------------------|----------------------|--------------|
| | Actual | Budgeted | B/(W) | Percent | | B/(W) | Percent |
| Franchise & Excise | \$513,139,000 | \$420,300,000 | \$92,839,000 | 22.09% | \$449,974,000 | \$63,165,000 | 14.04% |
| Income | 4,006,000 | 8,339,000 | (4,333,000) | -51.96% | 11,031,000 | (7,025,000) | -63.68% |
| Inheritance & Estate | 8,142,000 | 4,266,000 | 3,876,000 | 90.86% | 17,041,000 | (8,899,000) | -52.22% |
| Gasoline | 164,944,000 | 158,679,000 | 6,265,000 | 3.95% | 166,581,000 | (1,637,000) | -0.98% |
| Petroleum Special | 16,975,000 | 16,657,000 | 318,000 | 1.91% | 16,952,000 | 23,000 | 0.14% |
| Tobacco | 66,705,000 | 66,832,000 | (127,000) | -0.19% | 66,076,000 | 629,000 | 0.95% |
| Beer | 4,746,000 | 4,508,000 | 238,000 | 5.28% | 4,786,000 | (40,000) | -0.84% |
| Motor Vehicle Registration | 66,003,000 | 61,391,000 | 4,612,000 | 7.51% | 63,885,000 | 2,118,000 | 3.32% |
| Motor Vehicle Title | 6,115,000 | 4,757,000 | 1,358,000 | 28.55% | 4,970,000 | 1,145,000 | 23.04% |
| Mixed Drink | 25,183,000 | 22,278,000 | 2,905,000 | 13.04% | 23,000,000 | 2,183,000 | 9.49% |
| Business | 17,306,000 | 13,123,000 | 4,183,000 | 31.88% | 13,039,000 | 4,267,000 | 32.72% |
| Privilege | 79,330,000 | 79,363,000 | (33,000) | -0.04% | 77,302,000 | 2,028,000 | 2.62% |
| Gross Receipts | 14,374,000 | 16,307,000 | (1,933,000) | -11.85% | 8,774,000 | 5,600,000 | 63.82% |
| TVA - In Lieu of Tax Payments | 91,739,000 | 93,857,000 | (2,118,000) | -2.26% | 92,826,000 | (1,087,000) | -1.17% |
| Alcoholic Beverage | 15,320,000 | 13,871,000 | 1,449,000 | 10.45% | 14,200,000 | 1,120,000 | 7.89% |
| Sales and Use | 2,103,627,000 | 2,017,143,000 | 86,484,000 | 4.29% | 2,028,176,000 | 75,451,000 | 3.72% |
| Motor Vehicle Fuel | 45,556,000 | 42,652,000 | 2,904,000 | 6.81% | 43,416,000 | 2,140,000 | 4.93% |
| Severance | 332,000 | 574,000 | (242,000) | -42.16% | 435,000 | (103,000) | -23.68% |
| Coin-operated Amusement | 25,000 | 51,000 | (26,000) | -50.98% | 35,000 | (10,000) | -28.57% |
| Unauthorized Substance | 0 | 0 | 0 | NA | 0 | 0 | NA |
| Total | \$3,243,567,000 | \$3,044,948,000 | \$198,619,000 | 6.52% | \$3,102,499,000 | \$141,068,000 | 4.55% |